

Dear Honorable Judge Glenn,

I am an unaccredited investor who trusted Celsius with over \$530,000 of Crypto Currency as of today Wednesday July 20th. As of April 2<sup>nd</sup>, 2022, this bucket of Crypto was valued over \$1,000,000.

I moved the bulk of these funds into Celsius in February of 2022 because I would Watch Alex Mashinsky on his weekly AMAs published on YouTube. He reiterated time and time again on Twitter and on these AMAs that the company was over collateralized and that should anything go wrong they have more than enough money to make all depositors whole. He also started that he himself would personally compensate investors to make them whole if ever needed.

95% of my funds are in the Earn side of the platform (5% in custody) which as of April 15<sup>th</sup>, 2022, is reserved exclusively for accredited investors. The only reason my funds are still in there is because as of the April 15<sup>th</sup>, 2022, email, Celsius mentioned any non-accredited investor would no longer be eligible for Earn but if you're a non-accredited investor already in Earn, you'd be grandfathered in. Celsius communicated that the custody accounts would be available for non-accredited investors and unless they became accredited, they would not be able to move back into Earn.

I don't believe that Celsius with forthright in their warnings and transparency to non-accredited investors on the level of risk they were taking by remaining in Earn. I also believe that an audit of their assets vs liabilities on the date of April 15<sup>th</sup>, 2022 could show that the company was insolvent at that time. Had Celsius moved all non-accredited investors out of Earn and into custody, many of these users would have potentially left. If Celsius could not afford to pay out that many customers on that date, this is likely why they "grandfathered" the non-accredited investors into Earn.

April 15<sup>th</sup>, 2022 – Email sent from Celsius to customers introducing the breakout of Custody Accounts & Earn Accounts. Earn accounts would be exclusively for Accredited investors however non-accredited investors who were in Earn already, could remain in – with the stipulation that if they chose to leave, they would have to become accredited to join. **This In my opinion was misleading to trap non-accredited investors into continuing to keep their funds with Celsius.**

On May 27<sup>th</sup> 2022 – Alex hosted AMA talking about the company's health and ability to be secure during the bear market of crypto: <https://www.youtube.com/watch?v=MFboVGyOX2I>

On June 3<sup>rd</sup> 2022 – Alex hosted an AMA talking about the company's continued growth and plans of expansion: <https://www.youtube.com/watch?v=9zAVFmiyDhE&t=3129s>

On June 7<sup>th</sup> 2022 – Celsius published this article articulating that the company was well positioned: <https://blog.celsius.network/damn-the-torpedoes-full-speed-ahead-4123847832af>

On June 10<sup>th</sup> – Alex hosted an AMA (Ask me anything) articulating that they were in good shape and that users should even continue to dollar cost average investments into Celsius:

[https://www.youtube.com/watch?v=GyRO\\_W-utXs&t=553s](https://www.youtube.com/watch?v=GyRO_W-utXs&t=553s)

Celsius on June 12<sup>th</sup> then paused all withdrawals and now we know that they do not have even close to enough money to pay out everyone in the earn program based on the assets vs liabilities they have shared.

**My Ask:**

- All non-accredited investors should be considered custody accounts even the ones that were grandfathered into the Earn program. There was not enough disclosure on the risks and these people including myself were misled time and time again to believe in the financial stability of the Celsius company.

Thank you so much,

Joe – A Celsius non accredited investor trapped in Earn.